

By: Representative Ford

To: Agriculture; Ways and  
Means

## HOUSE BILL NO. 617

1 AN ACT TO REENACT SECTION 69-2-13, MISSISSIPPI CODE OF 1972,  
2 WHICH ESTABLISHES THE EMERGING CROPS FUND; TO AMEND REENACTED  
3 SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO EXTEND THE REPEALER  
4 ON THE MONIES AVAILABLE FOR PURPOSES OF THE BOLL WEEVIL MANAGEMENT  
5 ACT, THE REFORESTATION COST-SHARE PROGRAM AND THE REPLACEMENT OF  
6 FIRE FIGHTING UNITS/EQUIPMENT BY THE MISSISSIPPI FORESTRY  
7 COMMISSION; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 SECTION 1. Section 69-2-13, Mississippi Code of 1972, is  
10 reenacted and amended as follows:

11 69-2-13. (1) There is hereby established in the State  
12 Treasury a fund to be known as the "Emerging Crops Fund," which  
13 shall be used to pay the interest on loans made to farmers for  
14 nonland capital costs of establishing production of emerging crops  
15 on land in Mississippi, and to make loans and grants which are  
16 authorized under this section to be made from the fund. The fund  
17 shall be administered by the Mississippi Department of Economic  
18 and Community Development. A board comprised of the directors of  
19 the department, the Mississippi Cooperative Extension Service, the  
20 Mississippi Small Farm Development Center and the Mississippi  
21 Agricultural and Forestry Experiment Station, or their designees,  
22 shall develop definitions, guidelines and procedures for the  
23 implementation of this chapter. Funds for the Emerging Crops Fund  
24 shall be provided from the issuance of bonds or notes under  
25 Sections 69-2-19 through 69-2-37 and from repayment of interest  
26 loans made from the fund.

27 (2) (a) The Mississippi Business Finance Corporation shall  
28 develop a program which gives fair consideration to making loans

29 for the processing and manufacturing of goods and services by  
30 agribusiness and small business concerns. It is the policy of the  
31 State of Mississippi that such corporation shall give due  
32 recognition to and shall aid, counsel, assist and protect, insofar  
33 as is possible, the interests of agribusiness and small business  
34 concerns. To ensure that the purposes of this subsection are  
35 carried out, the corporation shall loan not more than One Million  
36 Dollars (\$1,000,000.00) to finance any single agribusiness or  
37 small business concern. Loans made pursuant to this subsection  
38 shall be made in accordance with the criteria established in  
39 Section 57-71-11.

40 (b) The Mississippi Business Finance Corporation may,  
41 out of the total amount of bonds authorized to be issued under  
42 this chapter, make available funds to any planning and development  
43 district in accordance with the criteria established in Section  
44 57-71-11. Planning and development districts which receive monies  
45 pursuant to this provision shall use such monies to make loans to  
46 private companies for purposes consistent with this subsection.

47 (c) The Mississippi Business Finance Corporation is  
48 hereby authorized to engage legal services, financial advisors,  
49 appraisers and consultants if needed to review and close loans  
50 made hereunder and to establish and assess reasonable fees  
51 including, but not limited to, liquidation expenses.

52 (3) The department shall, in addition to the other programs  
53 described in this section, provide for a program of loans to be  
54 made to agribusiness enterprises for the purpose of encouraging  
55 thereby the extension of conventional financing and the issuance  
56 of letters of credit to such agribusiness enterprises by private  
57 institutions. Monies to make such loans by the department shall  
58 be drawn from the Emerging Crops Fund. The amount of a loan to  
59 any single agribusiness enterprise shall not exceed twenty percent  
60 (20%) of the total cost of the project for which financing is  
61 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is  
62 less. No interest shall be charged on such loans, and only the  
63 amount actually loaned shall be required to be repaid. Repayments  
64 shall be deposited into the Emerging Crops Fund.

65 (4) Through June 30, 1999, the Mississippi Business Finance

66 Corporation may loan or grant to qualified planning and  
67 development districts, and to small business investment  
68 corporations, bank-based community development corporations, the  
69 Recruitment and Training Program, Inc., the City of Jackson  
70 Business Development Loan Fund, the Lorman Southwest Mississippi  
71 Development Corporation, the West Jackson Community Development  
72 Corporation, the East Mississippi Development Corporation, and  
73 other entities meeting the criteria established by the Mississippi  
74 Business Corporation (all referred to hereinafter as "qualified  
75 entities"), funds for the purpose of establishing loan revolving  
76 funds to assist in providing financing for minority economic  
77 development. The monies loaned or granted by the Mississippi  
78 Business Finance Corporation shall be drawn from the Emerging  
79 Crops Fund and shall not exceed Sixteen Million Dollars  
80 (\$16,000,000.00) in the aggregate. Planning and development  
81 districts or qualified entities which receive monies pursuant to  
82 this provision shall use such monies to make loans to minority  
83 business enterprises consistent with criteria established by the  
84 Mississippi Business Finance Corporation. Such criteria shall  
85 include, at a minimum, the following:

86 (a) The business enterprise must be a private,  
87 for-profit enterprise.

88 (b) If the business enterprise is a proprietorship, the  
89 borrower must be a resident citizen of the State of Mississippi;  
90 if the business enterprise is a corporation or partnership, at  
91 least fifty percent (50%) of the owners must be resident citizens  
92 of the State of Mississippi.

93 (c) The borrower must have at least five percent (5%)  
94 equity interest in the business enterprise.

95 (d) The borrower must demonstrate ability to repay the  
96 loan.

97 (e) The borrower must not be in default of any previous  
98 loan from the state or federal government.

99           (f) Loan proceeds may be used for financing all project  
100 costs associated with development or expansion of a new small  
101 business, including fixed assets, working capital, start-up costs,  
102 rental payments, interest expense during construction and  
103 professional fees related to the project.

104           (g) Loan proceeds shall not be used to pay off existing  
105 debt for loan consolidation purposes; to finance the acquisition,  
106 construction, improvement or operation of real property which is  
107 to be held primarily for sale or investment; to provide for, or  
108 free funds, for speculation in any kind of property; or as a loan  
109 to owners, partners or stockholders of the applicant which do not  
110 change ownership interest by the applicant. However, this does  
111 not apply to ordinary compensation for services rendered in the  
112 course of business.

113           (h) The maximum amount that may be loaned to any one  
114 (1) borrower shall be Two Hundred Fifty Thousand Dollars  
115 (\$250,000.00).

116           (i) The Mississippi Business Finance Corporation shall  
117 review each loan before it is made, and no loan shall be made to  
118 any borrower until the loan has been reviewed and approved by the  
119 Mississippi Business Finance Corporation.

120           For the purpose of this subsection, the term "minority  
121 business enterprise" means a socially and economically  
122 disadvantaged small business concern, organized for profit,  
123 performing a commercially useful function which is owned and  
124 controlled by one or more minorities or minority business  
125 enterprises certified by the Mississippi Business Finance  
126 Corporation, at least fifty percent (50%) of whom are resident  
127 citizens of the State of Mississippi. For purposes of this  
128 subsection, the term "socially and economically disadvantaged  
129 small business concern" shall have the meaning ascribed to such  
130 term under the Small Business Act (15 USCS, Section 637(a)), or  
131 women, and the term "owned and controlled" means a business in

132 which one or more minorities or minority business enterprises  
133 certified by the Mississippi Business Finance Corporation own  
134 sixty percent (60%) or, in the case of a corporation, sixty  
135 percent (60%) of the voting stock, and control sixty percent (60%)  
136 of the management and daily business operations of the business.

137 From and after July 1, 1999, monies not loaned or granted by  
138 the Business Finance Corporation to planning and development  
139 districts or qualified entities under this subsection, and monies  
140 not loaned by planning and development districts or qualified  
141 entities, shall be deposited to the credit of the sinking fund  
142 created and maintained in the State Treasury for the retirement of  
143 bonds issued under Section 69-2-19.

144 (5) The Mississippi Business Finance Corporation shall  
145 develop a program which will assist minority business enterprises  
146 by guaranteeing bid, performance and payment bonds which such  
147 minority businesses are required to obtain in order to contract  
148 with state agencies or political subdivisions. Monies for such  
149 program shall be drawn from the monies allocated under subsection  
150 (4) of this section to assist the financing of minority economic  
151 development and shall not exceed Two Million Dollars  
152 (\$2,000,000.00) in the aggregate. The Mississippi Business  
153 Finance Corporation may promulgate rules and regulations for the  
154 operation of the program established pursuant to this subsection.  
155 For the purpose of this subsection (5) the term "minority business  
156 enterprise" has the meaning assigned such term in subsection (4)  
157 of this section.

158 (6) The Mississippi Business Finance Corporation may loan or  
159 grant to public entities and to nonprofit corporations funds to  
160 defray the expense of financing (or to match any funds available  
161 from other public or private sources for the expense of financing)  
162 projects in this state which are devoted to the study, teaching  
163 and/or promotion of regional crafts and which are deemed by the  
164 corporation to be significant tourist attractions. The monies

165 loaned or granted shall be drawn from the Emerging Crops Fund and  
166 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
167 in the aggregate.

168 (7) Through June 30, 1998, the Mississippi Business Finance  
169 Corporation shall make available to the Mississippi Department of  
170 Agriculture and Commerce funds for the purpose of establishing  
171 loan revolving funds and other methods of financing for  
172 agribusiness programs administered under the Mississippi  
173 Agribusiness Council Act of 1993. The monies made available by  
174 the Mississippi Business Finance Corporation shall be drawn from  
175 the Emerging Crops Fund and shall not exceed Seven Hundred  
176 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi  
177 Department of Agriculture and Commerce shall establish control and  
178 auditing procedures for use of these funds. These funds will be  
179 used primarily for quick payment to farmers for vegetable and  
180 fruit crops processed and sold through vegetable processing plants  
181 associated with the Department of Agriculture and Commerce and the  
182 Mississippi State Extension Service.

183 (8) From and after July 1, 1996, the Mississippi Business  
184 Finance Corporation shall make available to the Mississippi Small  
185 Farm Development Center One Million Dollars (\$1,000,000.00) to be  
186 used by the center to assist small entrepreneurs as provided in  
187 Section 37-101-25, Mississippi Code of 1972. The monies made  
188 available by the Mississippi Business Finance Corporation shall be  
189 drawn from the Emerging Crops Fund.

190 (9) The Mississippi Business Finance Corporation shall make  
191 available to the Mississippi Department of Agriculture and  
192 Commerce for disbursement, upon warrant or warrants issued by the  
193 State Fiscal Officer upon requisitions made by the Commissioner of  
194 Agriculture and Commerce, or his designee, to the Certified Cotton  
195 Growers Organization, as defined in Section 69-37-5, funds on a  
196 one-time basis in a lump sum, an amount not to exceed Two Million  
197 Dollars (\$2,000,000.00) for the purpose of assisting in carrying

198 out the purposes of the Mississippi Boll Weevil Management Act.  
199 The monies made available by the Mississippi Business Finance  
200 Corporation shall be drawn from the Emerging Crops Fund. This  
201 subsection (9) shall be repealed from and after June 30, 2000.

202 (10) Upon request by resolution of the Board of Directors of  
203 the Institute for Technology Development and the Mississippi  
204 Agribusiness Council, the Mississippi Business Finance Corporation  
205 shall make available to the Institute for Technology Development  
206 on a one-time basis, an amount not to exceed Two Hundred Fifty  
207 Thousand Dollars (\$250,000.00) from the cash balance of the  
208 Emerging Crops Fund to support the development of a cooperative  
209 program for agribusiness development with the Alternative  
210 Agriculture Research and Commercialization Program (AARC) of the  
211 United States Department of Agriculture.

212 (11) The Mississippi Business Finance Corporation shall make  
213 available to the Mississippi Forestry Commission on a lump sum  
214 amount not to exceed Five Hundred Thousand Dollars (\$500,000.00)  
215 to be drawn from the Emerging Crop Fund and used for the  
216 commission's Reforestation Cost-Share Program. This subsection  
217 (11) shall be repealed from and after June 30, 2000.

218 (12) The Mississippi Business Finance Corporation shall make  
219 available to the Mississippi Forestry Commission for fiscal year  
220 1999 a lump sum amount not to exceed Three Million Dollars  
221 (\$3,000,000.00) to be drawn from the Emerging Crop Fund and used  
222 for the purpose of replacing fire fighting units/equipment. This  
223 subsection (12) shall be repealed from and after June 30, 2000.

224 (13) In addition to the amount provided in subsection (11)  
225 of this section, the Mississippi Business Finance Corporation  
226 shall make available to the Mississippi Forestry Commission for  
227 fiscal year 2000 a lump sum amount not to exceed Five Hundred  
228 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crop  
229 Fund and used for the commission's Reforestation Cost-Share  
230 Program. This subsection (13) shall be repealed from and after

231 June 30, 2000.

232 (14) The Mississippi Business Finance Corporation shall make  
233 available to the Small Farm Development Center at Alcorn State  
234 University for fiscal year 1999 funds in the amount of Fifty  
235 Thousand Dollars (\$50,000.00) and for fiscal year 2000 funds in  
236 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from  
237 the Emerging Crops Fund to support a cooperative program for  
238 agribusiness development in Mississippi. This subsection (14)  
239 shall be repealed from and after June 30, 2000.

240 SECTION 2. This act shall take effect and be in force from  
241 and after July 1, 1999.